

AR38

Canadian Pacific Investments Limited

Proceedings
at the
Annual Meeting
of Shareholders
Friday,
April 27, 1973

Le Château
Champlain
Place du Canada
Montreal
Canada

Canadian Pacific Investments Limited
Montreal, Canada

The following is a summary of the business transacted at the Annual Meeting of Shareholders held at Montreal, Canada, on April 27, 1973.

Mr. Ian D. Sinclair, Chairman of the Company, presided at the meeting and Mr. G. S. MacLean, Secretary of the Company, acted as secretary.

After notice of the meeting had been read and Report of the Scrutineers as to a quorum had been received, the Chairman declared the meeting to be regularly called and properly constituted for the transaction of business.

Minutes of the last Annual Meeting of Shareholders held on April 24, 1972 were confirmed.

The Auditors' Report to the Shareholders, having been read, the Chairman, on behalf of the Directors, placed before the meeting Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon for the year ended December 31, 1972.

The President, The Hon. Duff Roblin, P.C., C.C., then addressed the meeting as set out in this booklet, beginning at page 4.

The following were duly elected as Directors of the Company to hold office until the next Annual Meeting of Shareholders:

W. A. Arbuckle

F. S. Burbidge

F. E. Burnet

A. M. Campbell

R. W. Campbell

S. E. Nixon

H. M. Pickard

Hon. Duff Roblin, P.C., C.C.

Ian D. Sinclair

Price Waterhouse & Co. were appointed Auditors for the ensuing year and the Board of Directors was authorized to fix the remuneration to be paid to the Auditors.

The meeting then terminated.

After the shareholders' meeting, the Directors met and elected Officers of the Company and the Executive Committee as follows:

Officers of the Company

an D. Sinclair, Chairman of the Company and
Chief Executive Officer
Hon. Duff Roblin, P.C., C.C., President
H. M. Pickard, Executive Vice-President
P. A. Nepveu, Vice-President and Comptroller

The Executive Committee

V. A. Arbuckle
S. Burbidge
C. M. Campbell
Hon. Duff Roblin, P.C., C.C.
an D. Sinclair

Text of address by the President, The Hon. Duff Roblin, P.C., C.C., to the Annual Meeting of Shareholders at Montreal, Canada, April 27, 1973.

On behalf of the board of directors of Canadian Pacific Investments Limited, I have pleasure in welcoming you to the eleventh annual general meeting of the company.

As the 1972 statements indicate, the past year has been a good one for the company. In fact, consolidated income before extraordinary items was, by just a whisker, the best annual return in our history. This satisfactory result was due in the main to buoyant prices in the natural resources sector of our activities, supported by good demand for base metals and fertilizers, logs and lumber, and oil and natural gas. Much improved returns from our real estate operations and continued progress in hotels are also to be noted. At the last annual general meeting the forecast was made that 1972 would show improved results for the shareholders. The consolidated earnings of \$44¼ million or 79¢ per share, an increase of 24%, has borne out that prediction.

You will notice a change in the way the "consolidated income" has been presented in the 1972 annual report. Dividends received from "major subsidiaries not consolidated" have been deleted from "investment income" and included with the "equity in income of subsidiaries not consolidated". The reason for this change is to enable shareholders easily to ascertain the total contribution these companies make to earnings of CPI. The total dividends received from these companies appear separately in the "source and application of funds" statement.

The year 1973 itself has begun with a strong opening first quarter. The company's economic cycle continues in its expansion phase. We expect that 1973 consolidated earnings will increase significantly over 1972 results.

The results to the end of March show a consolidated net income of \$16.1 million compared to \$10 million in the same period of 1972. After making provision for the preferred dividend, this will amount to earnings of 30¢ per common share compared to 18¢ per common share for the first three months of last year. Extraordinary items in 1973 amount to \$1 million or 2¢ per common share. There were no extraordinary items in the first quarter of 1972. Oil prices were raised during the quarter and both base metals and fertilizer prices were stronger. Forest industry prices and demand for lumber, as well as pulp and paper, also performed well. I am sanguine that the gain established in the first quarter will be well maintained during the balance of the year.

Accordingly, the 1973 first quarterly report is being released today and will be mailed to shareholders together with the record of these proceedings. Meanwhile, I would like to give you a more detailed report on our major areas of activity during the first three months of the year.

Energy

Effective January 31, 1973 PanCanadian Petroleum Limited acquired all the outstanding shares of TransCanada Petroleum Limited, now renamed PanCanadian Gas Products Limited. The main activity of PanCanadian Gas Products is

the operation of a gas stripping plant at Empress, Alberta, and brings with it certain natural gas liquid products. The purchase represents substantial new thrust by PanCanadian Petroleum in broadening its activity within the industry and will increase the company's cash flow in 1973 by approximately 10¢ per share. Consolidated net earnings reported by PanCanadian for the first quarter of the year amount to \$5.8 million, an increase of \$1 million over the same period in 1972. The increased revenue from higher prices was partially offset by higher depletion and increased interest charges. Oil production for the quarter was substantially increased over the same period last year while gas production remained steady.

The imposition of quotas by the Canadian government and of price restrictions by the United States authorities have created market uncertainties. The formulation of the new Canadian and United States energy policies, which are expected within the year, will no doubt have consequences for this industry. But as further oil and natural gas price increases are probable in 1973, PanCanadian Petroleum should continue to show good results. Their prospects in the shallow gas areas of Southern Alberta and their favourable position in the North Sea Land play are also reasons for optimism.

Panarctic Oils Ltd. in which CPI through its subsidiaries has a 12.7% net indirect interest, recently announced additional discoveries of natural gas on Melville and Thor Islands. These discoveries further enhance that company's prospects in the North American energy market. Our participation in the Polar Gas pipeline project as well as in the Gas Arctic pipeline proposal is significant as a measure of our interest in these vast new undertakings.

The Fording metallurgical coal mine was declared to be operational effective January 1, 1973. The mine is making progress in meeting its production target having achieved output at a rate of 90% of the design capacity in April. Quality of the product continues to be very good. However, due to cost escalations, the operation incurred a loss of \$4 million in the first quarter. The Company's total share of the loss, including its equity in the part taken up by Cominco, was \$3.3 million. Price renegotiations were recently opened with the Japanese coal purchasers. These negotiations are still in progress but an interim price increase of \$2.50 Canadian per long ton has been offered. Assuming a satisfactory outcome to these negotiations and planned production, Fording should reach a profit position by year-end although there will be a cumulative loss in 1973.

Metals, Fertilizers and Chemicals

For the first quarter of 1973, Cominco Ltd. has reported net earnings of \$8.1 million, a substantial increase from the \$5.6 million shown for last year.

Base metal production has been above plan and has been supported by strong markets and good prices. Good progress is being made in bringing the Black Angel, Greenland, zinc-lead mine into production and shipments should start within the year. The prospects for a valuable mining operation at Arvik in the Arctic Islands continue to improve although transportation problems have yet to be settled.

It is a matter of regret that the uncertain future in the Province of British Columbia with respect to mining policy and tax impositions casts its shadow over the immediate future of the Valley Copper property. Until this situation is made clearer, policy decisions in respect of that property as well as others in that province will be inhibited. We must reasonably expect, however, that some workable solution will be found. In addition, Cominco's very substantial interests in other jurisdictions give ample grounds for optimism for its results, not only in 1973, but for the future.

Forest Products

Our Pacific Logging timberland operations show a net profit for the first quarter of 1973 amounting to \$4.3 million compared to \$634,000 in the same period last year. This extraordinary improvement has resulted from a very strong lumber market at home, in the United States and in Japan, together with unusually good forest operating conditions as compared with last year. The balance of the year will certainly not maintain this surge of growth. Nevertheless, we do expect Pacific Logging to show a substantial improvement in earnings for 1973 as a whole. The new Saltair sawmill has been operating up to expectations and will make a significant contribution.

Great Lakes Paper reported a first quarter profit of \$896,000 compared to a loss of \$112,000 in the same period last year. The improvement is mainly attributable to the increased volume of shipments of newsprint and price increases for both newsprint and pulp. A further price increase for pulp went into effect on April 1. Great Lakes expects a substantial increase in sales and shipments in 1973 due to its improved market position and the current strong demand for its products. Labor negotiations and the Canadian dollar exchange rate may affect earnings for the year. Construction of the new stud mill is progressing well and it is expected to be in production in September. All in all, Great Lakes expects to report greatly improved earnings in 1973.

Hotels and Restaurants

The results of the first quarter for our hotel operations amounted to \$297,000, an improvement over the figure of \$115,000 recorded for the same period last year.

The new Château Halifax hotel in Halifax, Nova Scotia has unfortunately been delayed in construction by the recent lengthy elevator strike. It will be opened in late summer. The operation of the newly renamed Château Royal, under CP Hotels management, in Mexico City, marks the beginning of international expansion. CP Hotels will also participate in the construction and undertake the management of new hotels in Paris and in Tel Aviv. Catering activities are being expanded with the opening of new restaurant facilities in Granville Square, Vancouver, and the takeover of the Calgary Tower restaurant operations. There have been comments in the press recently concerning the future of the Empress Hotel in Victoria. We believe this distinctive and well-known hotel will long continue to be a valuable and valued part of the chain.

The prospects for hotel operations for 1973 are good, with earnings expected to surpass the 1972 level.

Real Estate

Results for the first quarter for real estate and related activities amount to \$717,000, down \$80,000 from the same period last year. The elevator strike has delayed the completion of Granville Square in Vancouver by about 8 months. Approximately 80% of the space in this project is now committed for rental. Construction of the phase 1 residential section of Arbutus Village in Vancouver has commenced. There has been a great deal of interest shown in the condominium units which will become available for sale starting in late 1973. I expect that work on the commercial phase of this project will commence in early May. Construction of an hotel, part of the Calgary convention centre complex, is progressing well. In addition, Marathon Realty will be constructing an office building in Montreal at the corner of Notre Dame Street and University Street, with the major tenant being CP Telecommunications. Marathon has also been invited to prepare an 8-acre downtown development plan for the City of Peterborough.

When I spoke to you last year, I expected the Windsor Station project to begin in 1972. Since then the project has been recast in more ambitious and dramatic terms in keeping with the new phase of growth now in prospect for Montreal. Although the start of the project has been delayed one year, the extra planning time will have been well spent.

In 1973 Marathon Realty expects to show a further increase in earnings.

Financing

After the end of the quarter Canadian Pacific Securities Limited negotiated a \$15 million 8¼ % debenture issue. The funds will be used in part to provide long term financing for Canadian Pacific Hotels Limited and Pacific Logging Company Limited and in part to fund the short term borrowings of Canadian Pacific Securities Limited.

Plans are in hand to purchase from Canadian Pacific Limited its subsidiary, CanPac Leasing Limited, for approximately \$6 million. This company was incorporated in 1971 to engage in the growing equipment leasing field and offers a full range of equipment leasing services.

Investment Portfolio

Investment income for the first quarter amounted to \$1.8 million. The improvement of \$500,000 over the first 3 months of last year reflects better returns from the forest industry. Subsequent to the end of the first quarter, the company negotiated the sale to its former partner of its 50% interest in Bow River Pipe Lines Limited. In addition during April the Investors Group holding was sold. The gains on these sales will be reflected in extraordinary income for the second quarter of the year.

Outlook

All in all, there is strong ground for optimism about the earnings for 1973.

The company is benefiting from a relatively favourable Canada-United States dollar relationship and good prices and firm demand for most of its products and services. Of course, as in the economy as a whole, the cost-price squeeze represented by inflation is a constant threat.

In addition, this year, attitudes by government are a source of uncertainty and confusion. In some provinces new policies with respect to land, forestry and mining are now being elaborated with as yet undetermined effects. The vagueness of the legislation and the delegation of wide powers by the legislature to the executive are legitimate reasons for concern. The canons of sound legislation as we have been accustomed to know them call for a maximum of certainty in the law and a minimum of law-making by delegation.

But the outlook for this company and indeed its real prospects for the future may best be found in the efforts of our various managements to adapt themselves to circumstances and to seek new areas for growth. Sustained efforts have been devoted to encourage and support the men and women who manage our several enterprises, and to enlarge and strengthen managerial depth and entrepreneurial capacity. The expansion of our activities referred to in these remarks are an indication that these efforts have not been without success. This constitutes, I suggest, the wave of the future for this company and gives good and tangible grounds for an optimistic view of things to come.

Rapport aux actionnaires:

Le revenu net consolidé de la Compagnie, s'élevant à \$39.6 millions pour le premier semestre de 1973, bat un nouveau record des bénéfices pour cette période en dépassant de \$18 millions le revenu du premier semestre de 1972. Après déduction des dividendes privilégiés, le revenu par action ordinaire s'élevait à 74¢ cette année contre 38¢ pour la même période l'an dernier.

Le revenu des exploitations a augmenté de \$9.4 millions. Toutes y ont contribué mais la plus large part provient des exploitations forestières ainsi que du pétrole et du gaz naturel. Dans ces deux cas l'amélioration tient à une production plus élevée et à de meilleurs prix de vente.

La quote-part des bénéfices des filiales exclues de la consolidation s'est accrue de \$1.4 million. Les marchés, pour tous les produits de Cominco, minerais et produits chimiques, ainsi que pour les pâtes et papiers de Great Lakes ont été nettement plus fermes et les prix plus soutenus qu'il y a un an. C'est ainsi qu'on enregistre une hausse du revenu de \$3.6 millions à Cominco Ltée et de \$1.3 à Great Lakes Paper Company. Ces hausses compensent largement la participation directe de la Compagnie, soit \$3.7 millions à la perte de \$6.1 millions qu'a subie Fording Coal Limited ce semestre. La quote-part qui incombait à la Compagnie dans la fraction de cette perte supportée par Cominco s'élevait, en plus, à \$1.3 million. Une augmentation provisoire de \$2.50 canadiens par tonne forte a été accordée à Fording Coal à compter du 1^{er} avril et des pourparlers sont en cours avec les acheteurs en vue d'obtenir d'autres augmentations avec effet rétroactif à cette même date.

Le revenu exceptionnel de \$7.1 millions représente principalement le bénéfice net réalisé sur la vente par la Compagnie de sa participation de moitié dans Bow River Pipe Lines Limited et sur la vente d'actions de Husky Oil Ltd., de Canada Northwest Land Limited et de The Investors Group.

Le 1^{er} mai 1973, la Compagnie a acheté CanPac Leasing Limited à Canadien Pacifique Limitée pour \$6 millions. CanPac Leasing, créée en 1971, offre une gamme complète de services dans le domaine en pleine expansion de la location de matériel. Les profits depuis la date d'acquisition sont inclus dans les opérations qui figurent à la rubrique Financement.

CP Hôtels a pris à la mi-juin la direction de son second hôtel au Mexique, l'Acapulco Royal, de 440 chambres.

Ainsi se confirme, maintenant que 1973 est bien entamé, l'optimisme précédemment exprimé au sujet des perspectives de bénéfices de l'exercice pour la Compagnie.

Le président,

Le président du conseil
et directeur général,

Angus P. Power

Robert L. Thériault

Montréal, le 2 août 1973

Sous réserve de vérification
En milliers de dollars, sauf
les revenus par action

État du revenu consolidé	1973	1972
Pétrole et gaz naturel*	\$ 9 536	\$ 7 004
Exploitations forestières et activités connexes.	7 160	1 928
Immobilier et activités connexes	2 009	1 663
Hôtels et restaurants	1 476	922
Financement	192	74
Revenu de placements	3 716	3 117
Bénéfices nets d'exploitation (après déduction des impôts sur le revenu: 1973 - \$16 078 000; 1972 - \$6 866 000)	24 089	14 708
Quote-part des bénéfices des filiales exclues de la consolidation	8 434	7 025
Bénéfices avant postes exceptionnels	32 523	21 733
Postes exceptionnels (après déduction des impôts sur le revenu: 1973 - \$10 000; 1972 - néant)	7 073	(120)
Bénéfices nets	\$39 596	\$21 613
Soit, par action ordinaire:		
Avant postes exceptionnels	60¢	39¢
Net	74¢	38¢
État consolidé des mouvements de trésorerie	1973	1972
Entrées		
Recettes d'exploitation*	\$ 49 604	\$33 204
Vente de titres	16 398	4 973
Émission d'actions	16	3
Augmentation de la dette à long terme	28 053	36 877
Produit de la vente d'immobilisations	3 147	3 860
Fonds de roulement des filiales acquises et incluses dans la consolidation	4 626	—
	\$101 844	\$78 917
Sorties		
Augmentation du portefeuille	\$ 13 728	\$ 8 047
Immobilisations	20 233	21 492
Augmentation d'actif en biens à louer	7 266	—
Investissements dans des filiales acquises et incluses dans la consolidation	38 000	—
Dividendes déclarés	14 884	13 879
Divers (net)	3 889	8 574
Augmentation du fonds de roulement	3 844	26 925
	\$101 844	\$78 917

* Recettes nettes moins postes exceptionnels, quote-part des bénéfices non répartis des filiales exclues de la consolidation, dépréciation, épuisement, amortissement, impôts sur le revenu reportés, et participation minoritaire.

Les chiffres entre parenthèses sont des pertes
*Après prélèvement des intérêts minoritaires.

Les postes exceptionnels comprennent: en 1973, le bénéfice net réalisé sur la vente de titres; en 1972, bénéfice sur la vente de titres, \$474 000, et quote-part de la perte sur la vente d'une usine par Cominco Ltée, \$594 000.

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To the Shareholders:

The Company's consolidated net income of \$39.6 million for the first half of 1973 set a new high for earnings for this period, and exceeded income in the first half of 1972 by \$18.0 million. After preferred dividends, income was equal to 74¢ per common share in the current year and 38¢ in the same months of last year.

Income from operations increased \$9.4 million. Every operation contributed to this, but the largest gains were in earnings from timberlands and from oil and gas. In both these cases the improvement was attributable to higher production and sales at better prices.

Equity in income of subsidiaries not consolidated was up \$1.4 million. Markets for all of Cominco's mineral and chemical products and for Great Lakes' newsprint and pulp have strengthened and prices have firmed significantly as compared with a year ago. As a result, there were increases of \$3.6 million in respect of income of Cominco Ltd. and \$1.3 million in respect of income of Great Lakes Paper Company. These increases were offset to the extent of \$3.7 million representing the Company's direct share of the \$6.1 million loss incurred by Fording Coal Limited for the period. The Company's equity in the portion of this loss taken up by Cominco amounted to an additional \$1.3 million. An interim price increase of \$2.50 Canadian per long ton for Fording coal became effective April 1 and negotiations with the purchasers on further increases to be made retroactive to that date are in progress.

Extraordinary income of \$7.1 million represents principally net gains on sale of the Company's 50%-interest in Bow River Pipe Lines Limited and on sales of shares of Husky Oil Ltd., Canada Northwest Land Limited and The Investors Group.

On May 1, 1973, the Company purchased CanPac Leasing Limited from Canadian Pacific Limited for \$6 million. CanPac Leasing, incorporated in 1971, offers a full range of services in the growing field of equipment leasing. Profits from date of acquisition are included in "Financing" operations.

CP Hotels Limited undertook management of its second hotel in Mexico, the 440-room Acapulco Royal, in mid-June. Developments thus far in 1973 confirm the optimism expressed earlier regarding the Company's earnings for the year.

Philip J. Ross

Robert J. Ross

President

Chairman and Chief
Executive Officer

Montreal, August 2, 1973

Statement of Consolidated Income

	1973	1972
Oil and gas*	\$ 9,536	\$ 7,004
Timberlands and related facilities	7,160	1,928
Real estate and related operations	2,009	1,663
Hotels and restaurants	1,476	922
Financing	192	74
Investment income	3,716	3,117
Net income from operations (after income taxes of 1973 - \$16,078,000; 1972 - \$6,866,000)	24,089	14,708
Equity in income of subsidiaries not consolidated	8,434	7,025
Income before extraordinary items	32,523	21,733
Extraordinary items (after income taxes of 1973 - \$10,000; 1972 - nil)	7,073	(120)
Net income	\$39,596	\$21,613
Earnings per common share	60¢	39¢
Income before extraordinary items	74¢	38¢
Net income	74¢	38¢

Statement of Consolidated Source and Application of Funds

	1973	1972
Source of Funds		
Funds from operations*	\$ 49,604	\$33,204
Sale of investments	16,398	4,973
Capital stock issued	16	3
Increase in long term debt	28,053	36,877
Proceeds from disposal of properties	3,147	3,860
Working capital of subsidiaries acquired and consolidated	4,626	—
	\$101,844	\$78,917

	1973	1972
Application of Funds		
Additions to investments	\$ 13,728	\$ 8,047
Additions to properties	20,233	21,492
Additions to assets leased	7,266	—
Investment in subsidiaries acquired and consolidated	38,000	—
Dividends declared	14,884	13,879
Sundries (net)	3,889	8,574
Increase in working capital	3,844	26,925
	\$101,844	\$78,917

Subject to audit
Figures in thousands,
except amounts per share
() Denotes loss

*After minority interest
Extraordinary items comprise, in 1973, net gain on disposal of investments; and, in 1972, gain on disposal of investments, \$474,000, and equity in loss on disposal of a mill by Cominco Ltd., \$594,000.

*Net income before the following:
extraordinary items, equity in income retained by subsidiaries not consolidated, depreciation, depletion, amortization, deferred income taxes and minority interest.

Canadian Pacific Investments Limited

AR38

APR 4 1973

Notice of Annual Meeting of Shareholders

The Annual Meeting of the Shareholders of Canadian Pacific Investments Limited will be held on Friday, April 27th, 1973, at Le Château Champlain, Place du Canada, Montreal, Quebec, at 11:00 A.M. (daylight saving time, if operative), for the following purposes:

- a. to receive the Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon, for the year ended December 31st, 1972;
- b. to elect Directors;
- c. to appoint the Auditors and to authorize the Board of Directors to fix their remuneration; and
- d. to transact such other business as may properly come before the meeting.

The Board of Directors has by resolution fixed the time, before which proxies to be used at the Annual Meeting or any adjournments thereof must be deposited at Montreal, P.Q., with the Company or the Montreal Trust Company as Agent for the Company, at twenty-four hours, excluding Saturdays and holidays, preceding the Annual Meeting or any adjournments thereof.

By order of the Board,
G. S. MacLean, Secretary.

Montreal, March 23rd, 1973.

Note: If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy.

Information Circular

(Dated as of February 28th, 1973)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by the Management of Canadian Pacific Investments Limited of proxies for use at the Annual Meeting of Shareholders of the Company to be held on Friday, April 27th, 1973, at Le Château Champlain, Montreal, Quebec, and at any adjournments thereof. The total cost of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

At all meetings of Shareholders of the Company every Shareholder is entitled to give one vote for each share then held by him and such vote may be given in person or by proxy whether or not such proxy is himself a Shareholder.

A Shareholder giving a proxy may revoke the proxy by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of such meeting on the day of the meeting, or adjournment thereof.

Voting Shares as Specified

Shares represented by properly executed proxies in favour of the persons designated thereon will be voted or withheld from voting, as specified therein, on any ballot that may be called for and, where the shareholder executing such proxy specifies a choice with respect to any matter to be acted upon, such shares will be voted in accordance with any specification so made. IN THE ABSENCE OF SUCH SPECIFICATION SUCH SHARES WILL BE VOTED "FOR".

UNLESS IT IS SPECIFIED IN THE PROXY THAT SUCH SHARES SHALL BE WITHHELD FROM VOTING SUCH SHARES WILL BE VOTED, ON ANY BALLOT THAT MAY BE CALLED FOR, FOR THE ELECTION AS DIRECTORS OF THE PERSONS DESIGNATED IN THIS INFORMATION CIRCULAR AS NOMINEES FOR SUCH OFFICE AND FOR THE APPOINTMENT OF PRICE WATERHOUSE & CO. AS THE AUDITORS.

Exercise of Discretion by Proxies

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the date of this Information Circular, the Management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

Voting Shares

On February 28th, 1973, the Company had outstanding 50,135,850 Common Shares without nominal or par value, each carrying one vote, and 4,939,058 $4\frac{3}{4}\%$ Cumulative Redeemable Convertible Voting Preferred Shares, Series A, each carrying one vote. The Company has not fixed a record date and, in accordance with the Canada Corporations Act, Section 105(5), the failure of any shareholder of the Company to receive a notice of the time and place for holding a meeting of shareholders of the Company does not deprive the shareholder of a vote at the meeting if the shareholder is registered on the books of the Company at least forty-eight hours, excluding Saturdays and holidays, before the time set for the meeting. As of February 28th, 1973, Canadian Pacific Limited owned 50,000,000 Common shares representing 90.78% of the voting rights attached to all equity shares of the Company.

Election of Directors

The by-laws of the Company provide that the Board of Directors shall consist of nine Directors. Each Director elected will hold office until the next Annual Meeting of Shareholders and until his successor is duly elected. The persons listed on the following page, except Mr. F. E. Burnet and Mr. R. W. Campbell who are not now Directors, will retire as Directors at the forthcoming Annual Meeting on April 27, 1973 and they are eligible and will be nominated for re-election. Messrs. Burnet and Campbell will also be nominated for election as Directors. The Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Information as of February 28, 1973, as to the nine nominees is as follows:

Names of Nominees and Offices held in Company	Date on which present term of office expires	Principal occupation or employment	Director since	Equity securities of Canadian Pacific Investments Limited or its subsidiaries beneficially owned
*W. A. Arbuckle	April 27, 1973	Chairman of the Canadian Board, The Standard Life Assurance Company, Montreal.	1964	2,750 Pfd. Shares, Series A and 2,750 Share Purchase Warrants of C.P. Investments Limited 1,000 Common Shares of Cominco Ltd.
*F. S. Burbidge	April 27, 1973	President, Canadian Pacific Limited, Montreal.	1972	200 Pfd. Shares, Series A of C.P. Investments Limited 100 Common Shares of Cominco Ltd.
F. E. Burnet		President, Cominco Ltd., Vancouver, engaged in the business of mining, metals, chemicals, and fertilizers.		200 Pfd. Shares, Series A of C.P. Investments Limited 1,150 Common Shares of Cominco Ltd.
*A. M. Campbell	April 27, 1973	Chairman and Chief Executive Officer, Sun Life Assurance Company of Canada, Montreal.	1962	2,600 Pfd. Shares, Series A and 2,500 Share Purchase Warrants of C.P. Investments Limited
R. W. Campbell		Chairman of the Board and Chief Executive Officer, PanCanadian Petroleum Limited, Calgary, engaged in exploration, production, transportation, processing and marketing of oil and gas.		200 Common Shares and 1 Pfd. Share, Series A of C.P. Investments Limited 100 Common Shares of PanCanadian Petroleum Limited 1 Common Share of Cominco Ltd. 1 Common Share of The Great Lakes Paper Company, Limited
S. E. Nixon	April 27, 1973	Chairman, Celanese Canada Limited, Montreal, engaged in the business of manufacturing synthetic fibres, fabrics and carpets and chemical products.	1962	1,000 Pfd. Shares, Series A and 1,000 Share Purchase Warrants of C.P. Investments Limited 100 Common Shares of Cominco Ltd.
H. M. Pickard, Executive Vice-President	April 27, 1973	Executive Vice-President, Canadian Pacific Investments Limited, Calgary.	1970	2,000 Pfd. Shares, Series A of C.P. Investments Limited 100 Common Shares of Cominco Ltd. 500 Common Shares of PanCanadian Petroleum Limited
*The Hon. Duff Roblin, P.C., C.C., President	April 27, 1973	President, Canadian Pacific Investments Limited, Montreal.	1967	200 Pfd. Shares, Series A of C.P. Investments Limited 200 Common Shares of Cominco Ltd.
Ian D. Sinclair, Chairman and Chief Executive Officer	April 27, 1973	Chairman and Chief Executive Officer, Canadian Pacific Limited, Montreal.	1962	15,000 Pfd. Shares, Series A of C.P. Investments Limited 100 Common Shares of Cominco Ltd. 100 Common Shares of The Great Lakes Paper Company, Limited 50 Common Shares of PanCanadian Petroleum Limited
*Member of Executive Committee		<p>Mr. F. E. Burnet was, prior to September, 1968, Chairman and Chief Executive Officer of Cominco American Incorporated and, since that time, has held a senior executive position with Cominco Ltd.</p> <p>Mr. R. W. Campbell has been Chairman of the Board and Chief Executive Officer of PanCanadian Petroleum Limited and its predecessor Companies Central-Del Rio Oils Limited and Canadian Pacific Oil and Gas Limited since 1971 and, prior thereto since 1960 was Executive Vice-President of Home Oil Company Limited and Cygnus Corporation Limited.</p>		

Remuneration of Management and Others	Aggregate direct remuneration paid or payable to the Directors and to the Officers of the Company in 1972:		
	Paying Company	Paid or payable to Directors, as Directors	Paid or payable to Officers, as Officers
	Canadian Pacific Investments Limited	\$22,550.00	\$147,200.00
	PanCanadian Petroleum Limited	9,600.00	2,600.00
	Cominco Ltd.	34,500.00	146,200.00
	Midland Simcoe Elevator Company, Limited	450.00	—
	The Great Lakes Paper Company, Limited	4,000.00	—
	Pine Point Mines Limited	1,650.00	—
	West Kootenay Power and Light Company, Limited	200.00	7,500.00

Remuneration of
Management and Others
(Cont'd.)

The estimated aggregate cost to the Company and its subsidiaries in 1972 of all pension benefits proposed to be paid under any normal pension plan in the event of retirement at normal retirement age, directly or indirectly, by the Company or any of its subsidiaries to the persons mentioned in the foregoing table was \$8,832.00.

Interest of Management
and Others
in Material Transactions
during
period January 1, 1972 —
February 28, 1973

Mr. Ian D. Sinclair, a Director and Chairman of the Company, is an Officer and Director of Canadian Pacific Limited, Canadian Pacific Securities Limited and Cominco Ltd. and is a Director of Marathon Realty Company Limited and Pacific Logging Company Limited. Duff Roblin, a Director and President of the Company, is an Officer and Director of Canadian Pacific Securities Limited and Marathon Realty Company Limited and is a Director of CanPac Minerals Limited, CanPac Leasing Limited, Canadian Pacific Hotels Limited, Cominco Ltd., Fording Coal Limited and Pacific Logging Company Limited. Mr. H. M. Pickard, a Director and Executive Vice-President of the Company, is an Officer and Director of Canadian Pacific Hotels Limited, Marathon Realty Company Limited and Pacific Logging Company Limited and is a Director of CanPac Minerals Limited and Fording Coal Limited. Mr. F. S. Burbidge, a Director of the Company, is an Officer and Director of Canadian Pacific Limited and is a Director of CanPac Leasing Limited, Cominco Ltd. and Marathon Realty Company Limited.

Canadian Pacific
Investments Limited (CPI)

CPI has undertaken to guarantee the short and long term obligations of its wholly-owned subsidiary, Canadian Pacific Securities Limited, up to an amount fixed by the Board of Directors. At February 28, 1973, the total amount guaranteed, including accrued interest, was approximately \$191,725,000.

CPI acquired on January 28, 1972, an additional 180,000 shares, at \$10.00 per share, of the Capital Stock of CanPac Minerals Limited.

In August, 1972, CPI sold 248,566 shares of CanPac Minerals Limited, a wholly-owned subsidiary, to Cominco Ltd. for a total consideration of \$8 million which was satisfied by the issue of 271,370 shares of Cominco Ltd.

During the period CPI made a shareholder's loan to Fording Coal Limited in which CPI has a 60% interest, totalling \$2,400,000.

CPI is negotiating to acquire all the outstanding shares of CanPac Leasing Limited from Canadian Pacific Limited.

Marathon Realty
Company Limited (Marathon)

Marathon has undertaken since January 1st, 1972 to guarantee certain obligations of subsidiary companies and companies in which it holds a substantial interest and the total amount so guaranteed was approximately \$7,853,000.

Marathon is negotiating a management and development agreement with Canadian Pacific Limited for certain properties owned by Canadian Pacific Limited in Montreal.

Canadian Pacific
Hotels Limited (CPH)

CPH raised approximately \$20,000,000 in 1972 by means of a long-term debt issue, the proceeds of which were used partly to reduce that Company's short-term indebtedness and partly to provide funds for renovation and expansion of hotel facilities.

During the period CPH made advances to Scotia Square Hotel Limited, in which CPH has a 50% interest, totalling \$1,134,000.

CanPac Minerals
Limited (CanPac)

CanPac has entered into an agreement with Cominco Ltd. under which Cominco Ltd. will manage all the CanPac Operations.

Cominco Ltd. (Cominco)

Fording Coal Limited has converted its line of credit with Canadian chartered banks totalling \$60,000,000 from U.S. to Canadian funds and loans made pursuant thereto are guaranteed 60% by CPI and 40% by Cominco.

Cominco made a shareholder's loan to Fording Coal Limited, in which Cominco has a 40% interest, totalling \$1,600,000.

Cominco issued 271,370 unissued shares to CPI in August 1972 to satisfy the purchase price of 248,566 shares of CanPac Minerals Limited.

Appointment of Auditors

Price Waterhouse & Co. have served as Auditors of the Company for more than six years and will be nominated for reappointment to the office of Auditors of the Company for a term expiring at the close of the next Annual Meeting of Shareholders to be held in 1974, at a remuneration to be fixed by the Board of Directors.

Dated at Montreal, P.Q., as of February 28th, 1973.



Rémunération des membres du conseil d'administration et de la haute direction (suite)	Activités du groupe pendant la période du 1 ^{er} janvier 1972 au 28 février 1973	<p>M. Ian D. Sinclair, administrateur et président du conseil de la Compagnie, est membre du conseil d'administration et de la direction de Canadian Pacific Securities Limited, de Cominco Ltée et membre du conseil d'administration de Marathon Realty Company Limited, de Pacific Logging Company Limited, de Canadian Pacific Hotels Limited, de Marathon Realty Company Limited, de Pacific Logging Company Limited, et vice-président exécutif de la Compagnie, est membre du conseil d'administration et de la direction de Fording Coal Limited et de Pacific Logging Company Limited. M. H. M. Pickard, administrateur Minerais Limited, de CanPac Leasing Limited, de Canadian Pacific Hotels Limited, de Cominco Ltée, de Fording Coal Limited et de Pacific Logging Company Limited. M. H. M. Pickard, administrateur et président de la direction de Canadian Pacific Hotels Limited, de Marathon Realty Company Limited, de Pacific Logging Company Limited, et membre du conseil d'administration de CanPac Minerals Limited, et membre du conseil d'administration de CanPac Minerals Limited, et membre du conseil d'administration de Canadian Pacific Securities Limited, de Cominco Ltée et de Marathon Realty Company Limited.</p> <p>CPI s'est engagé à garantir les obligations à court et à long terme de sa filiale en toute propriété, Canadian Pacific Securities Limited, dans la limite d'un plafond fixé par le conseil d'administration. Au 28 février 1973, cette garantie s'élève à environ \$191 725 000, intérêts compris.</p> <p>Le 28 janvier 1972, CPI a acquis 180 000 parts de plus, à \$10 l'une, du capital-actions de CanPac Minerals Limited.</p> <p>En août 1972, CPI a vendu à Cominco Ltée 248 566 actions de sa filiale en toute propriété, CanPac Minerals Limited, à un prix de \$8 millions. Cominco Ltée s'est acquitté en remettant 271 370 actions. Pendant la période considérée, CPI s'est engagé à cette dernière un prêt s'élevant à \$2 400 000. 60% des parts a consenti à cette dernière un prêt s'élevant à \$2 400 000.</p> <p>CPI est en pourparlers pour acheter toutes les actions en circulation de CanPac Leasing Limited détenues par CanPac Leasing Limited.</p> <p>Marathon a décidé, à compter du 1^{er} janvier 1972, de garantir certains engagements financiers de filiales et de sociétés dans lesquelles elle détient une participation importante. Cette garantie s'élève à environ \$7 853 000.</p> <p>Marathon est en pourparlers avec Canadian Pacific Limited pour l'aménagement et l'exploitation de certaines propriétés appartenant à ce dernier à Montréal.</p> <p>CPI a mobilisé environ \$20 000 000 en 1972 au moyen d'un emprunt à long terme, dont le produit a servi, d'une part, à amortir la dette à court terme de la Compagnie et, d'autre part, à financer la rénovation et l'extension de son complexe hôtelier.</p> <p>Pendant la période considérée, CPH a fait une avance de \$1 134 000 à Scotia Hotel Limited, dont il détient 50% des parts.</p> <p>CanPac et Cominco Ltée ont conclu une entente en vertu de laquelle Cominco administrera toutes les exploitations de CanPac.</p> <p>CanPac Minerals Limited (CanPac)</p> <p>Cominco Ltée (Cominco)</p> <p>Fording Coal Limited a converti en monnaie canadienne sa marge de crédit de \$60 000 000 en devises américaines auprès des banques à chartes canadiennes et les emprunts faits à ce titre sont garantis à 60% par CPI et à 40% par Cominco.</p> <p>Cominco s'est engagé à cette dernière un prêt s'élevant à \$1 600 000.</p> <p>En août 1972, Cominco a remis 271 370 actions à la souche à CPI en règlement de l'achat de 248 566 actions de CanPac Minerals Limited.</p> <p>Price Waterhouse & Cie sont les vérificateurs de la Compagnie depuis six ans et la reconduction de leurs fonctions sera proposée pour l'exercice se terminant à l'issue de la prochaine assemblée générale annuelle des actionnaires de 1974, à une rémunération à fixer par le conseil d'administration.</p> <p>Fait à Montréal, Québec, le 28 février 1973.</p>
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Rémunération des membres du conseil d'administration et de la haute direction

Ensemble des rémunérations directes versées ou à verser aux membres du conseil d'administration et aux fonctionnaires de la Compagnie en 1972:

Compagnie	Canadian Pacific Investments Limited	PanCanadian Petroleum Limited	Cominco Ltée	Midland Simcoe Elevator Company, Limited	The Great Lakes Paper Company, Limited	Pine Point Mines Limited	West Kootenay Power and Light Company, Limited
Rémunérations versées ou à verser aux membres du conseil d'administration, <i>en qualités</i>	\$222 550,00	9 600,00	34 500,00	450,00	4 000,00	1 650,00	200,00
Rémunérations versées ou à verser aux fonctionnaires, <i>en qualités</i>	\$147 200,00	2 600,00	146 200,00	—	—	—	7 500,00

Noms des candidats et postes occupés dans la Compagnie	Date d'expiration du mandat	Occupation principale	Administrateur depuis	Nombre de titres de participation de Canadian Pacific Investments Limited ou de ses filiales détenus à titre bénéficiaire
*W. A. Arbuckle	27 avril 1973	Président du conseil d'administration pour le Canada de la Compagnie d'assurance-vie Standard Life, Montréal	1964	2 750 actions privilégiées, série A, et 2 750 warrants de C.P. Investments Limited 1 000 actions ordinaires de Cominco Ltée.
*F. S. Burbidge	27 avril 1973	Président Canadian Pacific Ltée, Montréal	1972	200 actions privilégiées, série A, de C.P. Investments Limited 100 actions ordinaires de Cominco Ltée.
F. E. Burnet		Président Cominco Ltée, Vancouver (mines, métallurgie, produits chimiques, engrais)		200 actions privilégiées, série A, de C.P. Investments Limited 1 150 actions ordinaires de Cominco Ltée.
*A. M. Campbell	27 avril 1973	Président du conseil et chef de la direction Sun Life du Canada, Compagnie d'assurance-vie, Montréal	1962	2 600 actions privilégiées, série A, et 2 500 warrants de C.P. Investments Limited
R. W. Campbell		Président du conseil et chef de la direction PanCanadian Petroleum Limited (pétrole et gaz: exploration, production, traitement, transport et commercialisation)		200 actions ordinaires et 1 action privilégiée, série A, de C.P. Investments Limited 100 actions ordinaires de PanCanadian Petroleum Limited 1 action ordinaire de Cominco Ltée.
H. M. Pickard, Vice-président exécutif	27 avril 1973	Vice-président exécutif Canadian Pacific Investments Limited, Calgary	1970	2 000 actions privilégiées, série A, de C.P. Investments Limited 100 actions ordinaires de Cominco Ltée.
*L'hon. Duff Roblin, C.P., C.C., Président	27 avril 1973	Président Canadian Pacific Investments Limited, Montréal	1967	200 actions privilégiées, série A, de C.P. Investments Limited 500 actions ordinaires de PanCanadian Petroleum Limited
*Ian D. Sinclair, Président du conseil et chef de la direction	27 avril 1973	Président du conseil et chef de la direction Canadian Pacific Ltée, Montréal	1962	15 000 actions privilégiées, série A, de C.P. Investments Limited 100 actions ordinaires de Cominco Ltée.
*Membre du comité exécutif		Avant septembre 1968, M. F. E. Burnet était président du conseil et chef de la direction de Cominco American Incorporated. Il occupe depuis un poste de haute direction à Cominco Ltée. M. R. W. Campbell est depuis 1971 président du conseil et chef de la direction de PanCanadian Petroleum Limited, autrefois Central-Dei Rio Oils Limited et Canadian Pacific Oil and Gas Limited. De 1960 à 1971, il a occupé le poste de vice-président exécutif de Home Oil Company Limited et de Cygnus Corporation Limited.		50 actions ordinaires de PanCanadian Petroleum Limited

Circulaire d'information

(au 28 février 1973)

Procurations

Désignation et révocation
des mandataires

À toutes les assemblées générales des actionnaires de la Compagnie, chacun d'eux dispose d'une voix par action et peut voter en personne ou par procuration, que le mandataire soit ou non actionnaire de la Compagnie.

La procuration est toujours révocable par acte écrit de l'actionnaire ou de son fondé de pouvoirs. Si les actions appartiennent à une corporation, l'acte de révocation doit être revêtu de son sceau corporatif ou de la signature d'un fonctionnaire ou d'un fondé de pouvoirs de la corporation, dûment autorisé, et être déposé au siège social de la Compagnie au plus tard le dernier jour ouvrable avant l'assemblée ou l'assemblée qui en tient lieu en cas d'ajournement, au cours de laquelle doit être utilisée la procuration, ou remis au président de ladite assemblée le jour de l'assemblée ou de l'assemblée qui en tient lieu en cas d'ajournement.

Droit de vote
des mandataires

Les mandataires désignés par procuration en bonne et due forme seront admis à voter, à proportion des actions représentées, ou à s'abstenir de voter si la procuration le spécifie, à toute consultation par scrutin pour laquelle le mandant, en établissant la procuration, aura précisé son choix sur la question soumise au scrutin; leur vote devra être conforme aux instructions ainsi données. Si AUCUNE INSTRUCTION N'EST DONNÉE, LES DROITS DE VOTE SERONT EXERCÉS DANS LE SENS DE LA MENTION «AUTORISER».

SI LA PROCURATION NE SPÉCIE PAS L'ABSTENTION, LES DROITS DE VOTE AFFÉRENTS AUX ACTIONS REPRÉSENTÉES SERONT EXERCÉS, LORS DE TOUT SCRUTIN À CET EFFET, POUR L'ÉLECTION AU CONSEIL D'ADMINISTRATION DES CANDIDATS DÉSIGNÉS DANS LA PRÉSENTE CIRCULAIRE D'INFORMATION, AINSI QUE POUR LA DÉSIGNATION DE PRICE WATERHOUSE & C^{IE} EN QUALITÉ DE VÉRIFICATEURS.

Latitude laissée
aux mandataires

La procuration donne aux mandataires pouvoir de se prononcer sur les modifications ou amendements apportés aux questions à l'ordre du jour, ainsi que sur les autres questions dont l'assemblée générale peut normalement être saisie. À la date de la présente circulaire d'information, la direction de la Compagnie n'a connaissance d'aucun amendement ou modification dont l'assemblée pourrait être saisie, ni de question qui ne soit prévue à l'ordre du jour.

Actions comportant
droit de vote

Au 28 février 1973, la Compagnie avait en circulation 50 135 850 actions ordinaires sans valeur nominale ou au pair, donnant droit à une voix chacune et 4 939 058 actions privilégiées remboursables et convertibles, à 4¾% cumulatif, série A, donnant droit à une voix chacune. La Compagnie n'a pas fixé de date limite d'inscription et, aux termes de la loi sur les corporations canadiennes, article 105(5), s'il arrive qu'un actionnaire de la Compagnie n'ait pas reçu d'avis indiquant le moment et le lieu de l'assemblée générale des actionnaires de la Compagnie, il conserve son droit de vote à l'assemblée à condition de s'être inscrit aux registres de la Compagnie au moins quarante-huit heures, sans compter les samedis et jours fériés, avant l'heure d'ouverture de l'assemblée. Au 28 février 1973, Canadien Pacifique Limitée possédait 50 000 000 d'actions ordinaires représentant 90.78% des droits de vote afférents à toutes les actions donnant droit de vote, de la Compagnie.

Élection des membres du
conseil d'administration

Selon les statuts de la Compagnie, le conseil d'administration compte neuf membres. Une fois élus, les membres du conseil d'administration demeurent en fonction jusqu'à la prochaine assemblée générale annuelle et jusqu'à ce que leur successeur soit régulièrement élu. Les personnes dont les noms figurent à la page suivante, à l'exception de M. F. E. Burnet et de M. R. W. Campbell qui ne sont pas présentement membres du conseil d'administration, voient leur mandat s'achever à l'assemblée générale annuelle du 27 avril 1973 et, comme elles sont rééligibles, leur réélection sera proposée. Messieurs Burnet et Campbell seront également candidats au conseil d'administration. La direction estime que les candidats sont dignes d'occuper les fonctions de membre du conseil d'administration; mais s'ils en devenaient incapables avant l'assemblée générale, pour quelque raison que ce soit, les titulaires de la procuration ci-jointe auront le droit de voter pour d'autres candidats de leur choix. Voici les renseignements, en notre possession au 28 février 1973, sur les neuf candidats

Avis aux actionnaires

L'assemblée générale annuelle des actionnaires de Canadian Pacific Investments Limited se tiendra le vendredi 27 avril 1973 au Château Champlain, Place du Canada, Montréal, Québec, à onze heures du matin (heure avancée, si elle est en vigueur), pour traiter les questions suivantes:

a) Examen du rapport du conseil d'administration, ainsi que des états financiers consolidés accompagnés du rapport des vérificateurs pour l'exercice clos le 31 décembre 1972;

b) Election de membres du conseil d'administration;

c) Nomination des vérificateurs et habilitation du conseil d'administration à fixer leur rémunération;

d) Débat sur toute question dont l'assemblée peut normalement être saisie.

Le conseil d'administration a, par résolution, fixé à vingt-quatre heures, sans compter les samedis et jours fériés, précédant l'assemblée générale annuelle des actionnaires ou toutes assemblées qui en tiennent lieu en cas d'ajournement le délai de dépôt à Montréal, province de Québec, à la Compagnie ou à la Montreal Trust Company, agent de la Compagnie, des procurations à utiliser à l'assemblée générale annuelle des actionnaires ou à toutes assemblées qui en tiennent lieu en cas d'ajournement.

Par ordre du conseil d'administration

Le secrétaire,
G. S. MacLean

Montréal, le 23 mars 1973

Remarque: Si vous ne pouvez assister à l'assemblée, veuillez remplir et retourner la formule de procuration ci-jointe.